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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91184319
Party	Plaintiff Fox News Network, LLC
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Application Serial No.: 77/101,706 (REDEYE I (& Design))

Filed: January 29, 2008

FOX NEWS NETWORK, LLC,

Opposer,

v.

CHICAGO TRIBUNE COMPANY,

Applicant.

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Opposition No. 91184319

**FOX NEWS NETWORK, LLC'S OPPOSITION TO THE
CHICAGO TRIBUNE COMPANY'S MOTION TO DISMISS**

Flaunting a glaring procedural mistake, Applicant Chicago Tribune Company's ("Applicant" or "Tribune") "Response in Opposition to Fox News Network LLC's Motion to Amend Pleading" (the "Tribune Response") consists of arguments one would typically find in opposition to a motion for leave to amend a pleading. But Fox News Network LLC ("FNC" or "Opposer") has not filed any such motion. Instead, it has exercised its right under TBMP 507.02 and Fed. R. Civ. P. 15(a) to amend its opposition (the "Amended Opposition"). Tribune should have responded to the Amended Opposition, but it did not. Its current filing should be denied as improper.

To the extent that the Tribune Response may be treated as a motion to dismiss the Amended Opposition, such motion is unfounded, is premature and should be denied. As Tribune acknowledges, FNC has pleaded fraud with particularity in the Amended Opposition – the sole

ground stated in Tribune's motion to dismiss FNC's original Opposition. Tribune's other arguments – regarding whether it was using its mark for all of the services listed on its application and whether such uses were legitimately “in commerce” – are mixed questions of law and fact that are not suited to a motion to dismiss. FNC has filed an appropriate pleading and Tribune should answer it.

BACKGROUND

On May 27, 2008, FNC timely filed its initial Notice of Opposition to Tribune's registration of the REDEYE I (& Design) (“REDEYE”) mark (the “First Opposition”), which contained a short and plain statement, alleging that Tribune had committed fraud on the United States Patent and Trademark Office (“PTO”) by knowingly misstating the manner and date of its use of the REDEYE mark on cable television and on the Internet.

On August 5, 2008, Tribune filed a motion to dismiss, arguing that the First Opposition failed to plead fraud with particularity in violation of Fed. R. Civ. P. 9(b). Rather than engage in costly and time-consuming motion practice that would delay an outcome on the merits of this Opposition, FNC exercised its right to file an Amended Opposition, which it did on September 23, 2008. In the Amended Opposition, FNC pleaded that the following statements in the REDEYE registration were knowing and material misstatements: (1) that it uses REDEYE in commerce within the meaning of 15 U.S.C. Section 1051(a), as amended, on cable television; (2) that it “provid[es] news, leisure, arts and entertainment information, by means of cable television”; (3) that it has been using the REDEYE mark in commerce on cable television “at least as early as October 30, 2002”; (4) that it produces “cable television segments”; and (5) that it used REDEYE in commerce on the Internet since “at least as early as October 30, 2002”. Tribune filed the Tribune Response on October 22, 2008.

ARGUMENT

THIS COURT SHOULD DENY TRIBUNE'S PREMATURE MOTION TO DISMISS

The Tribune Response is an opposition to a *motion* to amend a pleading. But FNC filed its Amended Opposition *as a matter of right* pursuant to TBMP 507.02 and Fed. R. Civ. P. 15(a). As such, the Tribune Response is procedurally improper. Moreover, even if the Tribune Response were to be construed as a motion to dismiss the Amended Opposition, it should be denied. As Tribune concedes and as discussed more fully below, FNC pleaded Tribune's fraud on the PTO with particularity in the Amended Opposition. That is all FNC need do at the pleading stage. All of Tribune's arguments, on the other hand, present mixed questions of fact and law – questions that cannot be resolved at this early stage of the proceedings on a motion to dismiss. Accordingly, the Board should order Tribune to respond to the Amended Opposition and to proceed to discovery.

A. FNC Amended Its Opposition As Of Right; Thus, The Tribune Response Is Procedurally Incorrect

Under the applicable procedural rules, FNC may amend its opposition once as of right, which it did. TBMP 507.02, referring to Fed. R. Civ. P. 15(a), states, “[a] party to an inter partes proceeding before the Board may amend its pleading once as a matter of course at any time before a responsive pleading is served. . . . An amendment filed as a matter of course need not be accompanied by a motion for leave to amend.” Fed. R. Civ. P. 15(a) similarly states, “A party may amend its pleading once as a matter of course . . . before being served with a responsive pleading”. *Accord* 6 Charles Alan Wright & Arthur R. Miller, *Federal Practice and Procedure* § 1480 (“[A] party may amend a pleading once without the permission of the court or the consent of any of the other parties to the action if he does so . . . before a responsive pleading has been served[.]”).

Further, the law could not be more clear that a motion to dismiss is not a responsive pleading, and thus, a party may respond to a motion to dismiss by filing an amended notice of opposition (or an amended complaint) without seeking leave to amend. *See, e.g., S. Industries, Inc. and Central Mfg. Co. v. Covington Indus., Inc.*, 2002 WL 31651761, Cancellation No. 25,669, *2-3 (T.T.A.B. Nov. 21, 2002) (“Neither a motion to dismiss nor a motion for summary judgment constitute[] responsive pleadings for purposes of the federal rules. . . . Therefore, petitioner may amend its petition to cancel as a matter of course, respondent’s opposition to this amendment is rejected, and the amended petition is accepted.” (citations omitted)). *See also* TBMP 503.03 (“A plaintiff may amend its complaint once as a matter of course at any time before an answer thereto is served[.] . . . Thus, plaintiffs to proceedings before the Board ordinarily can, and often do, respond to a motion to dismiss by filing, *inter alia*, an amended complaint. If the amended complaint corrects the defects noted by the defendant in its motion to dismiss, and states a claim upon which relief can be granted, the motion to dismiss normally will be moot.”). Accordingly, FNC’s filing of the Amended Opposition as a matter of right was appropriate here.

Tribune appears to have misunderstood this clear precedent and now seeks to oppose a non-existent motion to amend. Naturally, the cases Tribune cites have nothing to do with the procedural posture of this case. Instead, they involve situations in which either a responsive pleading had already been filed, or in which the party had already amended once as a matter of course and sought leave to amend again. *See Trek Bicycle Corp. v. StyleTrek Ltd.*, 64 U.S.P.Q.2d 1540 (T.T.A.B. 2001) (leave to amend was sought during discovery); *Dow Corning Corp. v. Chem. Design, Inc. v. Certified Fabrications, Inc.*, 3 F. Supp. 2d 361 (W.D.N.Y. 1998) (leave to amend complaint denied where plaintiff had already amended once *as of right* and

where defendant had filed a responsive pleading more than six months prior to plaintiff's motion seeking leave to amend); *Leatherwood Scopes Int'l Inc. v. Leatherwood*, 63 U.S.P.Q.2d 1699 (T.T.A.B. 2002) (denying leave to amend that was filed contemporaneously with a response to a summary judgment motion).

Because Tribune filed an opposition to a motion that does not exist, to the extent that the Tribune Response seeks any relief, it should be denied as procedurally incorrect.

B. FNC Has Adequately Pleaded Its Claim

If the Board construes the Tribune Response as a Motion to Dismiss, that motion should be denied. Fed. R. Civ. P. 12(b)(6) provides that a defendant may file a motion to dismiss any complaint on the grounds that it “fail[s] to state a claim upon which relief can be granted”. This rule also applies to proceedings before the Board, which has held that when determining a motion to dismiss for failure to state a claim upon which relief can be granted, “all of plaintiff’s well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to plaintiff.” *Fair Indigo LLC v. Style Conscience*, 85 U.S.P.Q.2d 1536, 1537 (T.T.A.B. 2007). In fact, 37 C.F.R. § 2.104(a) states, “The opposition must set forth a short and plain statement showing why the opposer believes he, she or it would be damaged by the registration of the opposed mark and state the grounds for opposition.”

Notably, FNC need only plead facts that “raise a right to relief above the speculative level” – in other words, facts that, if true, would be sufficient to state a cognizable right of action, *Bell Atlantic Corp. v. Twombly*, 127 S. Ct. 1955, 1964-65 (2007). For example, in *Aktieselskabet AF 21. November 2001 v. Fame Jeans Inc.*, 525 F.3d 8, 86 U.S.P.Q.2d 1527 (D.C. Cir. 2008), the D.C. Circuit stated:

A court deciding a motion to dismiss must not make any judgment about the probability of the plaintiff's success, for a complaint may proceed even if it

appears that a recovery is very remote and unlikely; *a complaint may not be dismissed based on a district court's assessment that the plaintiff will fail to find evidentiary support for his allegations*. Further, the court must assume all the allegations in the complaint are true (even if doubtful in fact), and the court must give the plaintiff the benefit of all reasonable inferences derived from the facts alleged.

525 F.3d at 17, 86 U.S.P.Q.2d at 1527 (citations omitted; emphasis added). All that is required is “enough fact to raise a reasonable expectation that discovery will reveal evidence” sufficient to prove a claim. *Owens v. Republic of Sudan*, 531 F.3d 884 (D.C. Cir. 2008) (citing *Twombly*, 127 S. Ct. at 1965). Indeed, “[a] claimant need not set out all of the precise facts on which the claim is based in order to survive a motion to dismiss.” *Owens*, 531 F.3d at 884. Rather, for the purposes of a motion to dismiss, a court will assume “all the allegations in the complaint are true (even if doubtful in fact) and giv[e] the plaintiff the benefit of all reasonable inferences derived from the facts alleged.” *Meijer, Inc. v. Biovail Corp.*, 533 F.3d 857, 866, 87 U.S.P.Q.2d 1904 (D.C. Cir. 2008) (citations omitted).

Here, it is beyond dispute that FNC has pleaded facts that, if true, would form the basis of a claim for fraud on the PTO. In fact, Tribune concedes that FNC has pleaded fraud with particularity in its Amended Opposition. (Tribune Response at 4 (“For example, as Tribune pointed out in its Motion to Dismiss the initial Notice of Opposition, the opposing party must plead fraud with particularity under Fed. R. Civ. P. 9(b). *Opposer immediately acquiesced* and now seeks to file a new Opposition.”) (emphasis supplied).) This concession is fatal to the motion to dismiss. As discussed above, all FNC needs to do is plead facts that, if true, would be sufficient to state a claim. Tribune has conceded that FNC has done so. As a result, any motion to dismiss should be denied.

Notwithstanding this concession, Tribune then states that “Opposer still cannot successfully identify a false statement of material fact.” (Tribune Response at 5.) But Tribune

was right the first time: FNC pleaded at least four knowingly false statements: that Tribune uses REDEYE in commerce within the meaning of 15 U.S.C. Section 1051(a), as amended, on cable television; that Tribune used the REDEYE mark on television at least as early as October 30, 2002; that Tribune uses REDEYE for the “production of cable television segments”; and that Tribune used the REDEYE mark in commerce on the Internet at least as early as October 30, 2002”.¹ (Amended Opposition at ¶¶ 32; 38.)

The most egregious misstatement by Tribune was that it *produces* cable television segments. (*Id.* at ¶ 32(d).) Tribune does not *produce* cable television segments. (*Id.* at ¶¶ 22-30; 32(d); 33; 37.) The Tribune Response is deafeningly silent on this critical issue: It does not refer to the words “produce” or “producing” in any way apart from the verbatim quote from its Application. Thus, where FNC has alleged that Tribune does not actually produce cable television segments, and where Tribune does not (and cannot) claim that it actually does produce cable television segments, FNC has clearly alleged a false statement of material fact sufficient to survive a motion to dismiss. This alone is sufficient for a finding of fraud under *Medinol Ltd. V. Nero Vasx Inc.*, 67 U.S.P.Q.2d 1205, 1209 (T.T.A.B. 2003), which held that “[a] trademark applicant commits fraud in procuring a registration when it makes material representations of fact in its declaration which it *knows or should know* to be false or misleading.” (Emphasis added.) Furthermore, where even one statement is misleading, the *entire registration* is deniable for fraud. *Id.* at 1209-10.

The decision in *University Games Corp. v. 20Q.net, Inc.*, 87 U.S.P.Q.2d 1465 (T.T.A.B.

¹ In an apparent attempt to distract the reader from the false statements of material fact contained in its Application, Tribune allocates several pages in the Tribune Response to the argument that its date of first use on the Internet, even if incorrect, cannot sustain a claim for fraud. It is clear that FNC does not rest its allegation of fraud *solely* on the incorrect date of first use on the Internet. Rather, that is simply another example of the knowingly false statements that Tribune made in its Application.

2008), cited by Tribune, shows precisely why Tribune's conduct could be deemed fraudulent and why this case needs to proceed to discovery. In *University Games*, the applicant added a counterclaim for fraud against the original opposer for misrepresenting its use in commerce at the time it filed its application. The opposer, however, had amended its description of goods in response to an Office Action to rectify the problem in its original application. The Board found that "the fact that opposer amended its identification of goods [to more accurately state its actual use] during ex parte prosecution constitutes a rebuttable presumption that opposer lacked the willful intent to deceive the Office." 87 U.S.P.Q.2d at 1468. Tribune, by contrast, in response to the Office Action, amended its Application to be even *less* accurate – by adding the clearly false statement that it "produces" cable television segments (which is precisely the business for which FNC uses its RED EYE W/ GREG GUTFELD mark that was the subject of Tribune's unsuccessful bid for a preliminary injunction in federal district court). Tribune knew or should have known (*Medinol*, 67 U.S.P.Q.2d at 1209) that this statement was false and misleading, given that this amendment took place *after* Tribune's courtroom loss against FNC. (Amended Opposition at ¶¶ 13-15.) Indeed, the addition of this false statement – after Tribune lost its case – seems like an expression of "sour grapes" specifically designed to prevent FNC from obtaining a legitimate trademark for the cable television services that it provides under the RED EYE W/ GREG GUTFELD mark.

Based on the above, Tribune is simply wrong when it says that FNC "rests its allegations solely on the argument that Tribune's use was not a use in commerce within the meaning of the Trademark Act, 15 U.S.C. §§ 1051 and 1127". In any event, such a false statement in an application does indeed provide a basis to assert a fraud claim. In *LIOC Endangered Species Conservation Federation v. Long Island Ocelot Club*, 2002, 2006 WL 1559662, Opposition No.

91160291,² the Board stated:

Use of the mark in connection with promotional, advertising or other activities taken in preparation for the rendering of the recited services does not constitute actual ‘use in commerce’ sufficient to support the filing of a use-based application. . . . [W]e find that, with regard to opposer’s fraud claim, *there is a genuine issue of material fact as to whether the applicant knowingly filed a use-based application when the use of the involved mark may not have been sufficient to support the filing of a use-based application.*

2006 WL 1559662, at *2 (citations omitted; emphasis added). Furthermore, the Board has previously found that use that is ancillary to the sale of goods or a principal service is not a separate service. *See, e.g., In re Reichold Chemicals, Inc.*, 167 U.S.P.Q. 376 (T.T.A.B. 1970) (“promoting the sale and use of chemicals” is not a registrable service, where applicant is merely providing “technical bulletins” that contain information about its own products). *See McCarthy on Trademark and Unfair Competition* § 19:89 (4th ed. 2008) (“A problem may arise when one seeks a service mark registration for a service that the Examiner may consider merely normal and ancillary to the sale of goods or the rendering of a principal service. The Examiner may refuse registration on the ground that there is, in fact, no real, separate ‘service’ rendered by the applicant.”).

Thus, as Tribune concedes, FNC has pleaded fraud with particularity by pleading that Tribune knew or should have known that it: (a) did not engage in the business of producing cable television segments; and (b) did not use the Subject Mark in commerce on cable television, but nonetheless made those statements on its Application. Thus, it has committed fraud on the PTO. (Amended Opposition at ¶ 32.) Accordingly, Tribune’s motion should be denied.

C. FNC’s Claim Is Not Appropriate for Summary Disposition

Moreover, any motion to dismiss Tribune may have filed is premature. As discussed

² Although this decision cannot be cited as precedent, it is nonetheless persuasive for its reasoning.

above, to prevail on their motion to dismiss, Tribune must demonstrate that FNC failed to plead facts that state a cognizable cause of action, *Twombly*, 127 S. Ct. at 1964-65. But rather than even attempt to do so, Tribune instead *disputes the truth of the facts set forth in the Amended Opposition*. (See, e.g., Tribune Response at 5 (discussing its use of REDEYE on the Internet and on television generally); Tribune Response at 8 (describing how REDEYE was used on the Internet in 2002).)³ But factual disputes cannot be resolved on a motion to dismiss. Instead, the very nature of the Tribune response highlights the fact that dismissal would be inappropriate at this time and FNC should be allowed to take discovery related to the well-pleaded allegations in the complaint.

Further, the law is clear that fraud claims, which are inherently based on the actor's knowledge and motivations, are particularly unsuitable for summary disposition on a motion to dismiss, or even summary judgment. Tribune cites *University Games* for the proposition that proving fraud is a heavy burden – but fails to disclose that the Board denied the motion for summary judgment: “As often stated by the Board, factual questions involving intent and good faith are particularly unsuited to disposition on summary judgment.” *Id.* at 1468.⁴ See also *Copelands' Enter. Inc. v. CNV Inc.*, 945 F.2d 1563, 1567 (Fed. Cir. 1991) (“As a general rule, the factual question of intent is particularly unsuited to disposition on summary judgment.”);

³ Tribune also incorrectly states that FNC does not challenge the validity of Tribune's specimens. (Tribune Response at 5.) But this argument is specious. In the Amended Opposition, FNC clearly states, “Upon information and belief, a screen grab of Kyles' appearance on CLTV Evening Edition was submitted along with the Application as a ‘specimen’ of Tribune's use of REDEYE on cable television.” (Amended Opposition at ¶ 28.) Obviously, the Amended Opposition includes this challenge to the validity of Tribune's specimens.

⁴ Indeed, even in cases cited by Tribune in which the Board found that there was no fraud, the procedural posture was *at least* in the summary judgment phase – the parties had been permitted to take discovery. See *Smith Int'l v. Olin Corp.*, 209 U.S.P.Q. 1033 (T.T.A.B. 1981) (granting summary judgment); *Amer. Flange & Manu. Co. v. Rieke Corp.*, 80 U.S.P.Q.2d 1397 (T.T.A.B. 2006) (after reviewing the “voluminous record”, the Board found insufficient evidence of fraud); *Maids to Order of Ohio Inc. v. Maid-to-Order Inc.*, 78 U.S.P.Q.2d 1899 (T.T.A.B. 2006) (after full discovery, in which applicant's good faith belief was tested, the Board denied the cancellation on the basis of fraud).

Giant Food, Inc. v. Standard Terry Mills, Inc., 229 U.S.P.Q. 955, 962 (T.T.A.B. 1986) (“The very nature of fraud requires that it be proven ‘to the hilt’ with clear and convincing evidence. . . . Consequently . . . [s]ummary judgment is notoriously inappropriate for determination of claims in which issues of intent, good faith and other subjective feelings play dominant roles.”); *S. Industries, Inc.*, 2002 WL at *3 (“The Federal Circuit and the Board have acknowledged that factual questions involving intent, good faith, and the like are particularly unsuited to disposition on summary judgment.”). In all of these cases, the Federal Circuit and the Board have repeatedly found that these subjective questions are unsuitable for summary judgment.

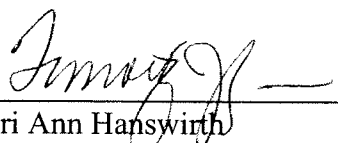
As Tribune concedes, FNC pleaded fraud with particularity in the Amended Opposition. Therefore, this Court should deny the Tribune Response, order Tribune to respond to the allegations in the Amended Opposition and allow FNC to proceed to discovery.

WHEREFORE, the Tribune Response should be denied to the extent that it is deemed to be a motion to dismiss, and Tribune should be ordered to answer the Amended Opposition.

Respectfully submitted,

HOGAN & HARTSON L.L.P.

Date: November 11, 2008

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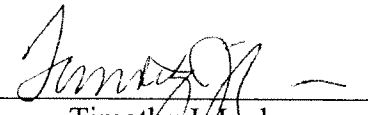
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**CERTIFICATE OF SERVICE
IN ACCORDANCE WITH 37 CFR § 1.8 and 2.119**

I HEREBY CERTIFY that on this 11th day of November, 2008, a true and complete copy of the foregoing Fox News Network, LLC's Opposition to the Chicago Tribune Company's Motion to Dismiss was served by overnight courier (via FedEx) addressed to the following:

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